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A contract employee is a person who is employed for the primary purpose of performing non-clandestine duties. While not a staff employee of CIA, he has by virtue of his contract, an employee relationship to the U. S. government entitled to death and disability compensation benefits, and such other benefits as are specified by the contract. The contract employee may be recruited and processed either in headquarters or in the field and his contract will be signed either by the Chief of Mission or the Special Contracting Officer. Types of individuals who may be included in this category are interpreters, translators, chauffeurs, and in certain cases, individuals performing duties substantially similar to those of exec officer.

1. Compensation

Contract employee shall have and be granted only those rights, privileges and benefits which are provided in the contract which shall be in writing and concurred in as to legal form by the General Counsel. Normally, such contracts will be brief, simple, and carry the intent both expressed and implied that the individual Contract Employee is undertaking to perform a given function for a predetermined compensation. The rate of compensation will be negotiated but will be consistent insofar as practicable with that paid by government or industry for similar types of work. However, recognition will be given to the fact that often the conditions of service will be unique. Contracts providing for salary in excess

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of \$10,000 per annum shall not be approved by the Special Contracting Officer unless the Assistant Director concerned has personally approved such salary and the Deputy Director has concurred in writing.

2. Leave

Contract Employees will accrue and accumulate annual and sick leave in accordance with the provisions of the contract. Such contracts may include provisions for cash payments in lieu of unpaid leave.

3. Retirement and Social Security

Contract Employees will not have retirement deductions made from their salary and are not entitled to participate in the Civil Service Retirement System. They will not participate in the Social Security System.

4. Allotment

The Standardized Civilian Allowance Regulations will be used as a guide in establishing foreign post and similar allowances for Contract Employees except when operational requirements preclude that allowances be established in general conformance with the cover. Though the Standardized Allowances are used, they may be grouped, estimated and rounded off, and, if necessary, the contract may provide for waiver of reporting actual costs of quarters. If it is necessary to base allowances on a system other than the Standardized Regulations, the contract should

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substantial changes in cost of living occur because of transfer of post or other reasons.

6. Travel

The contract should stipulate the basis on which official travel, transportation of effects and dependents, and related expenses will be paid. The contract should specify the type and degree of accountings which the individual will be required to render to obtain reimbursement for travel expenses. The contract may provide for lump sum payments for travel with waiver of detailed accounting.

6. Compensation and Death Benefits

The contract shall stipulate the sickness, injury, and death benefits which are applicable. However, by reason of the fact that a Contract Employee is an employee of the Government, he will be entitled to benefits of the Federal Employees' Compensation Act and Public Law 110 and his contract shall so state. Benefits of the Missing Persons Act may also be granted, and, where compatible with security and operational standards, Contract Employees may subscribe, if eligible, to hospitalization and life insurance plans which are available to Agency employees.

(CRA 10.0) (See CIA Reg. [redacted])

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7. Home leave

As a general rule, no provision will be made for home leave

for Contract Employees; however, their contracts may provide

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for return transportation to the U. S. or other place
of permanent residence on the expiration of the contract
period.

6. Tax Withholding

Taxes will not be withheld on that portion of a contract
employee's compensation paid directly by CIA. However,
agents shall be advised that no deduction will be made
and that it is their responsibility to comply with
applicable income tax laws and regulations, and their
contract shall so state.

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